
APPENDIX

Legislative Research Commission Advisory Subcommittee On Offshore Energy Exploration Morehead City, NC April 27, 2009

American Gas Association U.S. Domestic Natural Gas Supply Outlook

Will natural gas supply be sufficient to satisfy future natural gas demand? We believe the answer is yes, based on the abundance and diversity of the natural gas resource base as well as the ability of gas to deliver “now”. However, we caution that abundance is meaningless without access, as is diversity. Further, technological developments will continue to bring new sources of gas to the market – consistent with past experience.

- The outlook for natural gas supply is very positive, given the development of new onshore (both conventional and unconventional) and offshore resource plays, the potential for pipeline natural gas from the arctic, LNG, underground and aboveground storage and other pipeline infrastructure. There is no question that the natural gas resource base is capable of meeting existing and new market demands. However, recognizing the abundance of the resource is not sufficient – there must also be access to the resource. This distinction often leads to confusion among policymakers.
- It is absolutely critical that national policy supporting the energy economy in the U.S. is one that emphasizes supply diversity and, particularly for natural gas, supply source diversity. Domestic natural gas supply must not be sidetracked to a belief that one supply source will cure all requirements for the gas supply future.
- Natural gas is *now*. The technologies to find, develop and consume natural gas efficiently, economically and to the benefit of the consumer and the environment are here today. This is a fact not often given full recognition by policymakers.

A. Domestic Production and Resources

Current Environment

- U.S. gas supply is decidedly more domestic today than two years ago
- Domestic natural gas reserves and estimates of undiscovered resources have grown significantly, in great part due to the emergence of less conventional sources of gas supply
 - Proved reserves grew 45 percent during the ten-year period 1998 to 2007, from 164 Tcf to 238 Tcf

Market Outlook